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Understanding Your Title Commitment

In order to assist you in making sense of your title commitment we are providing this handout which we hope will serve as a general guide to reading your title commitment. Should you have any specific questions about your title commitment, please feel free to contact our office. However, please be aware that Guaranty Title Company **cannot** provide legal advice to its customers in relation to this transaction. Questions of a legal nature should be directed to a competent attorney of your choice.

Your commitment contains four separate “schedules.” These schedules are labeled A through D, and the best way to understand your commitment is to understand each schedule:

Schedule A. “A” is for... “About the Transaction.” This section lists the names of the buyer, or “proposed insured”, the buyer’s lender if any, the policy amount, the type of policy being purchased, the legal description of the property, and the name of the person or persons who we believe own the property.

Schedule B. “B” is for... “Buyer’s Notice.” This section lists items which may allow some other party to have some interest or control of the use of the property. An example would be a utility easement, where a city could have part of the property reserved for an electrical line. This section also lists any restrictions found of record regarding the property, such as a building set back requirement which would prevent a homeowner from building within certain distances from the property line. Any items listed under Schedule B **will not** be covered by the title policy.

Schedule C. “C” is for... “Clear before Closing.” This section lists items that must be resolved in order to transfer title to the new owner and in order for Guaranty Title Company to issue its title policy to the new owner. This section might include items such as mortgage to be paid off, home improvement liens, unpaid taxes, a requirement that the property be surveyed to specifically identify what the buyer is to receive, or a requirement that another person – such as an heir or a spouse – participate in the sale of the property. All items shown on Schedule C must be resolved before or at the time of closing.

Schedule D. “D” is for... “Disclosure for Title Company.” This sections just outlines the parties who will share any part of the insurance premiums, including underwriters, title agents, and attorneys.